## REMARKS/ARGUMENTS

Favorable reconsideration of this application in light of the following discussion is respectfully requested.

Claims 1-2, 4-7, 9-12, 14-17 and 19-20 are pending in the application. No claim amendments are presented, thus, no new matter is added.

In the outstanding Official Action, Claims 1-2, 4-7, 9-12, 14-17 and 19-20 were rejected under 35 U.S.C. §103(a) as unpatentable over <u>Sharp et al.</u> (U.S. Patent 6,263,317, hereinafter "<u>Sharp</u>") in view of <u>Salvo et al.</u> (U.S. Patent 6,341,271, hereinafter "<u>Salvo</u>) and Official Notice.

In response to the rejection of independent Claims 1, 6, 11 and 16 under 35 U.S.C. §103(a), Applicants respectfully submit that independent Claims 1, 6, 11 and 16 state novel features clearly not taught or rendered obvious by the applied references.

Independent Claim 1 relates to a distribution management device which receives first order information formed based on a purchase request received over a first sales channel using a network, and second order information formed on the basis of a second purchase request received over a sales channel which does not use a network. The distribution management device controls the stock of the merchandise to be distributed to the first and second sales channels based on the received first and second order information, by retrieving an actual sales condition of the merchandise in the first and second sale channels based on the received order information.

Further, independent Claim 1 recites, in part, that the distribution management device comprises:

...means for instructing a supplier of said merchandise to supply the merchandise based on the actual sales condition by generating and transmitting a stock order condition data to the supplier, said order condition data including sales method, client's name, and total amount of merchandise sold.

Independent Claims 6, 11 and 16, while directed to alternative embodiments, recite substantially similar features. Therefore, the arguments presented below are applicable to each of independent Claims 1, 6, 11 and 16.

As described, for example, at Fig. 3 and pp. 47-49 of the specification, the distribution management center (2) includes a shipment control server (55), which transmits order condition data to the manufacturer control center (12) via network. This order condition data includes various parameters, such as *sales method*, that are displayed in an order condition screen (65) on a computer at the manufacturer control center (12).

Turning to the applied primary reference, <u>Sharp</u> describes a web-based system in which customers can place orders for brand name products and these orders are allocated to manufacturers, distributors and retailers according to the distribution channel protocols defined by the manufacturers. <u>Sharp</u>'s system is configured to ensure that the sales of brand name goods and services via the Internet do not violate existing distribution agreements between the manufacturers and the respective distributors and retailers.

Sharp, however, fails to teach or suggest generating and transmitting stock order condition data to the supplier, said order condition data including sales method, as recited in independent Claim 1.

In addressing the above-noted feature recited in independent Claim 1, the outstanding Official Action relies on col. 3, line 61-col. 4, line 55 of Sharp and asserts that the order condition data including sales method is transmitted because the order is received "via the network." However, the cited portion of Sharp simply describes that the customer enters order information and confirms the order information causing the computer program executed by the server computer (110) to compute tax and shipping costs and add to the order

<sup>&</sup>lt;sup>1</sup> Sharp, Abstract.

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<sup>&</sup>lt;sup>3</sup> The outstanding Official Action, p. 2.

information. Once the payment information is successfully verified, the order is finalized and entered into a database (230), and order information may be sent to the purchaser via e-mail.

However, in no point in this description does Sharp describe that stock *order* condition data including sales method is generated and transmitted as recited in independent Claim 1. Instead, Sharp simply describes that the sale of information may be conducted via the Internet, but does not teach or suggest that order method data is generated and transmitted, whatsoever.

Further, Sharp describes that all the orders in his system are receive via a network. Therefore, there would be no motivation or suggestion to generate order condition data including a sale method and transmitting this information to the supplier, as this step would be unnecessary since all the orders are conducted via a single sales channel.

Accordingly, Sharp fails to teach or suggest generating and transmitting stock order condition data to a supplier, the order condition data including *sales method*, as recited in independent Claim 1.

<u>Salvo</u>, the secondary reference, is not relied upon to address the above differentiated feature recited in independent Claim 1, nor does this reference teach or suggest this claimed feature. Further, the above noted claimed feature was differentiated over <u>Salvo</u> in the previous response.

Therefore, neither <u>Sharp</u> nor <u>Salvo</u>, alone nor in combination, teach or suggest generating and transmitting stock order condition data to a supplier, the order condition data including *sales method*, as recited in independent Claim 1.

Accordingly, Applicants respectfully request the rejection of Claims 1, 6, 11 and 16 under 35 U.S.C. §103(a) be withdrawn. As Claims 2, 4, 5, 7, 9, 10, 12, 14, 15, 17, 19 and 20 depend from the above-noted independent claims; Applicants respectfully submit that these claims also patentably define over <u>Salvo</u> and/or <u>Sharp</u>.

Consequently, in light of the foregoing comments, it is respectfully submitted that the invention defined by Claims 1-2, 4-7, 9-12, 14-17 and 19-20 is patentably distinguishing over the applied references. The present application is therefore believed to be in condition for formal allowance and an early and favorable action is therefore respectfully requested.

Respectfully submitted,

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